



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region08

VIA ELECTRONIC MAIL
DELIVERY RECEIPT REQUESTED

Mr. Brent Talbot
President
Finley Resources, Inc.
1308 Lake Street
Fort Worth, Texas 76102
brent@finleyresources.com

Re: Section 114(a) Information Request for Finley Resources, Inc. Oil and Natural Gas Well
Production Operations in the Uinta Basin in Utah

Dear Mr. Talbot:

The United States Environmental Protection Agency (EPA) hereby requires Finley Resources, Inc. (Finley) to provide certain information to determine the Clean Air Act (the Act) compliance status of its oil and natural gas production facilities located on the Uintah and Ouray Indian Reservation in Utah.

Pursuant to section 114(a) of the Act, 42 U.S.C. § 7414(a), the Administrator of the EPA is authorized to require any person who owns or operates an emissions source to establish and maintain records, make reports, sample emissions (in accordance with the procedures and methods that the Administrator shall prescribe) and provide such other information as the Administrator may reasonably require for the purposes of determining the applicability of, and compliance with, requirements under the Act and its associated regulations. This authority has been delegated to the undersigned official.

To determine Finley's compliance with the Act, the EPA requires Finley to provide responses to requests 1-7 and 9-11 of Enclosure 2 within 30 calendar days from receipt of this request. Finley shall provide responses to request 8 of Enclosure 2 within 45 days from receipt of this request. The six enclosures are as follows:

1. Enclosure 1 is instructions and definitions for the EPA's requested information;
2. Enclosure 2 is the EPA's list of requested information;
3. Enclosure 3 is a Statement of Certification which must be properly dated, signed and included in your response;
4. Enclosure 4 is information regarding claims of confidential business information. Finley must submit responses to all requests of Enclosures 2, 5, and 6 regardless of whether it claims confidential business information on any of information it submits to the EPA; and
5. Enclosures 5 and 6 are electronic copies of Excel spreadsheets for Finley to utilize for its responses, as to requests 1-8 in Enclosure 2.

You are obliged to preserve all documents requested in this letter until you receive further instructions from the EPA.

Failure to provide the required information is a violation of the Act and may result in action pursuant to sections 113(c), (d), or 114, or any other action authorized under the Act. 42 U.S.C. §§ 7413(c), (d), 7414. In addition, knowingly providing false information in response to this information request may be actionable under section 113(c) of the Act, 42 U.S.C. § 7413(c), and 18 U.S.C. §§ 1001 and 1341.

Under section 114(c) of the Act, 42 U.S.C. § 7414(c), and pursuant to regulations at 40 C.F.R. Part 2, including 40 C.F.R. § 2.301, you are entitled to claim as confidential any information you provide to the EPA that involves trade secrets and that you regard as confidential business information. For such information, you may request that the EPA treat such information as confidential. Any such claim for confidentiality must conform to the requirements of 40 C.F.R. § 2.203(b). Note that emission data cannot be claimed as confidential under section 114(c). For detailed instructions, please see Enclosure 4 to this letter. Information you supply will be treated as confidential business information to the degree determined to be appropriate according to the regulations. If you fail to furnish a business confidentiality claim with your response to this information request, the EPA will construe your failure as a waiver of that claim, and the information may be made available to the public without further notice to you.

Regardless of whether you make a claim of confidentiality, you must submit all responsive information.

Please electronically submit your response to this request by the deadlines set forth above. Immediately following the transmittal of this request, Ms. Sara Loiacono of the Enforcement Compliance Assurance Division, EPA Region 8, will email a link to a secure file sharing site. Finley is to upload its responses within 30 calendar days for requests 1-7 and 9-11, and within 45 calendar days for request 8, to the secure file sharing site and email Ms. Sara Loiacono that the upload is complete at loiacono.sara@epa.gov. The EPA acknowledges that the COVID-19 pandemic may be impacting your business. If that is the case, we will consider your specific circumstances in determining an appropriate timeline for responding to this information request.

If you have any questions regarding this information request, please contact Ms. Loiacono, at (303) 312-6626, or your counsel may contact Lauren Hammond at (303) 312-7081.

Sincerely,

Scott H. Patefield, Branch Manager
Air and Toxics Enforcement Branch
Enforcement and Compliance Assurance Division

Enclosures

- 1) Instructions and Definitions
- 2) Information Requested
- 3) Statement of Certification
- 4) Confidential Business Information
- 5) Workbook for Responses to Requests 1-7
- 6) Workbook for Responses to Request 9

ecc (w/Encl.): Shaun Chapoose, Chairman, Ute Indian Tribe
Edred Secakuku, Vice-Chairman, Ute Indian Tribe
J.T. Murray, Councilman, Ute Indian Tribe
Luke Duncan, Councilman, Ute Indian Tribe
Ronald Wopsock, Councilman, Ute Indian Tribe
Christopher Tabbee, Councilman, Ute Indian Tribe
Kirby Arrive, Executive Director, Ute Indian Tribe
Mike Natchees, Air Quality Program Director, Ute Indian Tribe
Jeremy Patterson, Attorney, Patterson Earnhart Real Bird & Wilson
Randy Dann, Partner, Counsel for Finley Resources, Davis Graham & Stubbs
Rik Ombach, Minor Source Compliance Branch, Utah Division of Air Quality, UDEQ
Bryce Bird, Director, Utah Division of Air Quality, UDEQ
Marina Thomas, Utah Attorney General's Office
James Freeman, U.S. Department of Justice

ENCLOSURE 1:

A. INSTRUCTIONS

1. Please provide a separate narrative response to each request and subpart set forth in Enclosure 2 of this information request. If Finley has no responsive information or documents pertaining to a particular request, submit an affirmative statement to that effect and include an explanation.
2. Please indicate on each document produced in response to this information request, or in some other reasonable manner, the number of the request to which it corresponds. If a document is responsive to more than one request, this must be so indicated and only one copy of the document needs to be provided.
3. The EPA is providing Excel workbooks as Enclosures 5 and 6 for ease of organization of responses to requests 1-8. Please populate the workbooks with your responses to those requests in accordance with all instructions here and therein, and in the units noted. If Excel spreadsheet is not specifically required, please respond in PDF or Excel spreadsheet format, as appropriate. Electronic submissions are required.
4. When a response is provided in the form of a number, please specify the units of measure of the number in a precise manner and the basis for the number provided (e.g., estimated, measured or engineering judgment).
5. Where documents or information necessary for a response are neither in your possession nor available to you, please indicate in your response why such documents or information are not available or in your possession and identify any source that either possesses or is likely to possess such documents or information.

B. DEFINITIONS

All terms used in this information request will have their ordinary meaning unless such terms are defined in the Act, 42 U.S.C. § 7401 *et seq.*; 40 C.F.R. part 60, subparts A, OOOO, or OOOOa; 40 C.F.R. part 49, subpart k; or otherwise defined herein.

Affiliate means any person or entity that, directly or indirectly through one or more intermediaries (regardless of the nature or degree of separation), controls or has the power to control (through ownership or management), is controlled by, or is under common control with, Finley, including any former or current managers, members, partners, shareholders, officers, directors, and employees of such activity.

Control device or its plural means the air pollution control equipment used to achieve volatile organic compound (VOC) emission reductions, for example, enclosed flare, combustor, combustion device, vapor recovery unit, etc.

Document and writing and the plural forms thereof mean all written, recorded or graphic matters, however produced or reproduced, of every kind and description, pertaining in any way to the subject matter of this action. The terms “document” and “writing” shall include, but are not limited to: any receipts; invoices; shipping records; purchase orders; purchase records; books; pamphlets; periodicals; memoranda (including those of telephone or oral conversations); contracts; correspondence; agreements; applications; financial records; security instruments; disbursements; checks; bank statements; time

records; accounting or financial records; notes; diaries; logs; facsimiles (faxes); telegrams or cables prepared, drafted, received or sent; electronic mail (emails), whether drafted, received or sent; tapes; transcripts; recordings; minutes and notes of meetings; directives; work papers; charts; drawings; prints; flow sheets; photographs; infrared camera recordings; film; computer printouts; x-ray photographs; advertisements; catalogs; data; sampling reports, plans, protocols, reports, analyses; or any handwritten, recorded, transcribed punched, taped, filmed or graphic matter, however produced or reproduced, in Finley's possession, custody or control or to which Finley has or has had access.

Enclosed combustor means a thermal oxidation system with an enclosed combustion chamber that maintains a limited constant temperature by controlling fuel and combustion air.

Facility, well production facility, or well pad means all the air pollution emitting units and activities located on or integrally connected to one or more oil and natural gas wells that are necessary for production operations and storage operations.

Gas vented means gas released into the air.

NSPS OOOO means the Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution for which Construction, Modification or Reconstruction Commenced After August 23, 2011, and on or before September 18, 2015 at 40 C.F.R. part 60, subpart OOOO.

NSPS OOOOa means the Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After September 18, 2015 at 40 C.F.R. part 60, subpart OOOOa.

Startup of production means the beginning of initial flow following the end of flowback when there is continuous recovery of salable quality gas and separation and recovery of any crude oil, condensate or produced water.

Tank system means one or more storage tanks, and any other interconnected tank (e.g., oil tank, produced water tank), that share a common vapor control system.

Vapor control system means the system used to contain, convey, or control vapors from one or more storage tanks (including flashing, working, breathing, and standing losses, as well as any other vapors routed to the storage tank vapor control system). A vapor control system includes a tank system, piping to convey vapors from a tank system to a combustion device or vapor recovery unit, fittings, connectors, liquid knockout vessels, openings on tanks (such as pressure relief valves and thief hatches), and emission control devices.

Volatile organic compound (VOC) means any organic compound which participates in atmospheric photochemical reactions; or which is measured by a reference method, an equivalent method, an alternative method, or which is determined by procedures specified under any subpart.

Well means an oil or gas well, a hole drilled for the purpose of producing oil or gas, or a well into which fluids are injected.

Finley, you, and/or your means Finley Operating, Inc. the prior owner and operator of facilities subject to this request in the Uinta Basin, and all of both Finley and Finley Energy, Inc.'s agents, servants, employees, representatives, investigators, accountants, auditors, attorneys, experts, consultants, contractors and others who are in possession, custody or control (actual or constructive) of relevant

information that is otherwise available to you, or may have obtained information for or on behalf of, Finley.

ENCLOSURE 2:

INFORMATION REQUESTED:

Using the instructions and definitions set forth in Enclosure 1, please provide the following information using the spreadsheets in Enclosures 5 and 6.

Enclosure 5

1. Please identify in columns A through E the following information for each well production facility in the Uinta Basin owned or operated by Finley since 2017:
 - a. In column A, provide the name of the facility/well pad;
 - b. In columns B and C, provide the latitude and longitude, respectively, of the facility;
 - c. In column D, use the dropdown menu to specify whether, based on its physical location, the facility is under State jurisdiction or located in Indian Country, as defined by 18 U.S.C. § 1151, to include Indian reservations, dependent Indian communities, and Indian allotments; and
 - d. In column E, provide the Tribal Registration, State Approval Order, or Permit-by-Rule Number/Identifier for the facility.
2. Please identify in columns F through G the following information for each tank system associated with each well production facility identified in column A. If more than one tank system is associated with a facility, please add additional rows, as appropriate, so that each tank system is on a separate row.
 - a. In column F, list the ID number or other identifier used by Finley to identify each tank system. If no unique tank system identifier exists, please assign one (e.g. Tank System #1, Tank System #2); and
 - b. In column G, provide the date of construction, modification, or reconstruction of the tank system.
3. Please identify in columns H through J the following information for each well associated with each tank system identified in column F:
 - a. In columns H and I, provide the name and API Well ID, respectively, of any well(s) associated with the tank system. If more than one well is associated with a tank system, please add additional rows, as appropriate, so that each well is on a separate row; and
 - b. In column J, provide the date of startup of production in MM/DD/YYYY format.
4. For each tank system with storage vessels that were constructed, modified, or reconstructed after August 23, 2011, please provide the following information in columns K through R:
 - a. In column K, provide the VOC potential to emit (PTE) in tons per year (tpy) for each tank system with storage vessels that were constructed, modified, or reconstructed after August 23, 2011. For tank systems with storage vessels that were constructed, modified, or reconstructed after August 23, 2011 and on or before September 18, 2015, please perform the calculation according to §60.5365(e). For tank systems with storage vessels that were constructed, modified, or reconstructed after September 18, 2015, perform the calculation according to §60.5365a(e);
 - b. In column L, state the period of production used in the VOC PTE determination performed according to §60.5365(e) or §60.5365a(e);
 - c. In column M, list the maximum average daily throughput associated with the period of production specified in column L;

- d. In column N, state the VOC emission factor in pounds of VOC per barrel of oil produced (lb VOC/bbl) utilized in the VOC PTE determination in column K;
 - e. In column O, provide the uncontrolled actual annual VOC emissions in tpy as of July 1, 2022;
 - f. Provide copies of all lab analysis reports for VOC emission factors utilized in the VOC PTE determinations in column K. In column P, list Bates numbers for the records submitted in response to this item that correspond to each tank system;
 - g. In column Q, if the determination of potential for VOC emissions (provided in column K) takes into account requirements under legally and practically enforceable limits in an operating permit or other requirement established under Federal, State, local or tribal authority pursuant to 40 C.F.R. §§ 60.5365(e) or 60.5365a(e), please specify the limit or requirement, including citation to any relevant regulation, permit (i.e. permit number and relevant permit requirement), or other provision. If the potential for VOC emissions does not take into account requirements under legally and practically enforceable limits or requirements, write “N/A”; and
 - h. Provide copies of all reports submitted under the New Source Performance Standards (NSPS), 40 C.F.R. part 60, subpart OOOO and subpart OOOOa for each tank system identified in column F of Enclosure 5. Where applicable, list, in column R, Bates numbers for the records submitted in response to this item that correspond to each tank system.
5. In columns S through AA, please provide the following information related to control devices at each tank system:
- a. In column S, use the dropdown menu to specify the type of control device (flare, enclosed combustor, boiler/process heater, other) utilized to control VOC emissions from each storage vessel. If no control device is used to control VOC emissions from the storage vessel, select “none” from the dropdown menu. If a control device other than a flare, enclosed combustor, or boiler/process heater is utilized to control VOC emissions from the storage vessel, select “other” from the dropdown menu and list the type of control device in column T;
 - b. In column U, provide the manufacturer and model of the control device utilized to control VOC emissions from the tank system;
 - c. In column V, provide the date of startup of the control device in MM/DD/YYYY format;
 - d. In columns W and X, provide the minimum inlet pressure and the maximum inlet pressure requirements of the control device, respectively, in ounces per square inch (oz/in²), as specified by the manufacturer. If not applicable, write “N/A”;
 - e. In column Y, use the dropdown menu to specify whether a backpressure regulating device is installed at the inlet to the control device;
 - f. In column Z, state the date of installation in MM/DD/YYYY format of any backpressure regulating device identified in column Y; and
 - g. In column AA, state the on/off setpoints in oz/in² of each backpressure regulating device identified in column Y.
6. For each tank system identified in column F of Enclosure 5, please provide the following design-related information:
- a. In column AB, use the dropdown menu to specify whether Finley has, at any time, analyzed the design of the vapor control system associated with the tank system, to determine whether the vapor control system is adequately designed and sized to handle the peak potential flow of vapors.
 - b. If your response to 7.a. is yes, in column AC, provide the date(s) of all analyses in MM/DD/YYYY format;

- c. Provide copies of all documents supporting the design analyses and, in column AD, list Bates numbers for the records submitted in response to this item that correspond to each tank system; and
 - d. In column AE, use the dropdown menu to indicate whether any operational changes (e.g., production increase, capacity decrease, control device change) have occurred at the vapor control system since the last design analysis. If yes, describe the changes in column AF.
7. For each facility identified in column A of Enclosure 5, please provide:
- a. Records of all AVO and IR camera inspections conducted at the facility from July 1, 2017, to present, including details on any emissions, defects, or deficiencies observed during the inspection;
 - b. Records of any repairs conducted as a result of any emissions, defects, or deficiencies observed during the inspections. Records of repairs should include a description of the repair, the date of repair, the date of verification of successful repair, and the method of verification (e.g. Method 21, Snoop/soapy bubbles, IR Camera, etc.); and
 - c. List, in columns AG and AH, Bates numbers for the records submitted in response to 7.a. and 7.b., respectively, that correspond to the facility.

Enclosure 6

8. For each well associated with a tank system location listed in column F of Enclosure 5, provide the following production information for each month from July 2017 through June 2022.
- a. Number of days the well produced;
 - b. Oil production (in bbls);
 - c. Water production (in bbls);
 - d. Gas vented (in Mcf); and
 - e. Date of sale and name of the purchasing entity for any wells sold by Finley from July 2017 to present.

Narrative

9. Please provide a narrative description of the operations and maintenance program Finley employs to prevent and address emissions observed at tank systems. Please include any supporting documentation, including operations and maintenance plans or procedures, training program materials, corrective action or repair guidelines, part replacement schedules, etc.
10. Please provide an organizational chart and narrative description of the organizational structure for and the nature of business relationships between CH4 Energy – Finley Utah, LLC; Uinta Wax, LLC; CH4-Finley Operating, LLC; Uinta Wax Operating, LLC; Finley Mid Pasture Limited Partnership; Finley Drilling 2 LLC; other affiliates not specified here; and Finley Resources, Inc. Include supporting documentation. Please also provide service agreements that may exist between these entities.
11. In April 2022, Finley submitted Part 1 Registrations under the requirements of the Oil and Natural Gas Federal Implementation Plan (OGFIP), as specified in 40 C.F.R. § 49.104(a)(1) or (2) for the following facilities, respectively: Wall 13-17, Rogers 16-43, Aurora Federal 6-28D-7-20, Aurora Federal 4-21D-7-20. There are no records of Finley’s submittal of Part 2 Registrations as required by 40 C.F.R. § 49.160(c). Please submit the emission estimate information as set forth in 40 C.F.R. § 49.160(c)(3).

ENCLOSURE 3

STATEMENT OF CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment for knowing violations pursuant to section 113(c)(2) of the Clean Air Act, and 18 U.S.C. §§ 1001 and 1341.

(Signature)

(Printed Name)

(Title)

(Date)

ENCLOSURE 4

Confidential Business Information (CBI) Assertion

You may assert a business confidentiality claim covering all or part of the information you provide in response to this information request for any business information entitled to confidential treatment under section 114(c) of the Clean Air Act (the Act), 42 U.S.C. § 7414(c), and 40 C.F.R. Part 2, subpart B. Under section 114(c) of the Act, you are entitled to confidential treatment of information that would divulge methods or processes entitled to protection as trade secrets. Under 40 C.F.R. Part 2, subpart B, business confidentiality means “the concept of trade secrecy and other related legal concepts which give (or may give) a business the right to preserve the confidentiality of business information and to limit its use or disclosure by others in order that the business may obtain or retain business advantages it derives from its rights in the information.” 40 C.F.R. § 2.201(e).

Information covered by a claim of business confidentiality will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in section 114(c) of the Act and 40 C.F.R. §§ 2.201-2.311. **If you fail to furnish a business confidentiality claim with your response to this information request, the EPA will construe your failure as a waiver of that claim, and the information may be made available to the public without further notice to you.** See 40 C.F.R. § 2.203(c). To assert a business confidentiality claim, you must place on (or attach to) all information you desire to assert as business confidential either a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as “trade secret,” “proprietary,” or “company confidential” at the time you submit your response to this information request.

Please be specific by page (including Bates Stamp, if applicable), paragraph, and sentence when identifying the information subject to your claim. Where your claim, as originally made or as modified by your response to this letter, does not include all information on a page, please attach a copy of each such page with brackets around the text that you claim to be CBI. Please note that if a page, document, group or class of documents claimed by you to be CBI contains a significant amount of information which our Office of Regional Counsel determines is not CBI, your CBI claim regarding that page, document, group, or class of documents may be denied. You should indicate if you desire confidential treatment only until a certain date or until the occurrence of a certain event. All confidentiality claims are subject to EPA verification. If the EPA reviews your CBI claim(s) then the EPA may send notice to your business and ask you to submit additional information to substantiate the CBI claim(s). See 40 C.F.R. § 2.204(e).

The criteria the EPA will use in determining whether material you claim as business confidential is entitled to confidential treatment are set forth at 40 C.F.R. § 2.208(a)-(d), as well as the U.S. Supreme Court’s decision in *Food Marketing Institute v. Argus Leader Media (Argus)*, 139 S. Ct. 2356 (2019), which evaluated the definition of “confidential” as used in Exemption 4. In the *Argus* decision, the Court held that at least where “[1] commercial or financial information is both customarily and actually treated as private by its owner and [2] provided to the government under an assurance of privacy, the information is ‘confidential’ within the meaning of Exemption 4.” *Argus*, 139 S. Ct. at 2366. Emission data, as defined at 40 C.F.R. § 2.301(a)(2), is expressly not entitled to confidential treatment under 40 C.F.R. Part 2, subpart B. See 42 U.S.C. § 7414(c); 40 C.F.R. § 2.301(e).